SUNCHASE CONDOMINIUM ASSOCIATION, INC.
BOARD OF DIRECTORS MINUTES
OCTOBER 11, 2010

MINUTES

BOARD MEMBERS PRESENT
Norman McFadden
Don Stiffler
Caroline Stinson

OTHERS PRESENT
Jake Commer
Ray Etheridge

CALL TO ORDER AND APPROVAL OF MINUTES
Don Stiffler, Vice President, called the meeting to order at 5:30 p.m.
Norman McFadden made a motion to approve the minutes of the September 13, 2010 meeting. Caroline Stinson seconded this motion and it passed unanimously.

FINANCIAL REPORT
Ray Etheridge reviewed the financial statement for September 2010. Collections for the month were $2,700.00 over budget. The reserve transfers and insurance transfers were made. Expenses were reviewed. Pool maintenance and chemicals is $512.00 over budget for the year, but this should be worked down to very near the budget by year-end. Ray pointed out to the Board that our landscaping bill, which comes mostly by fax, was not paid in September and two (2) payments were made in October. This will bring this expense item on budget for the year. General maintenance for the month was $299.00 under budget, but is still well over for the year. Cash in bank was reviewed and the accounts receivable. Several units have brought their accounts current in September, but have now not paid and statements are being sent to eight (8) units which owe one (1) month and now two (2) including October. A lien has been filed on one (1) additional unit as well. No funds have yet been collected from the unit, which has been foreclosed by the mortgage company.

Painting Contract and Wood Rot
Wood rot was discussed on the buildings. The EPM Maintenance personnel have completed stairway repairs to the two (2) entryways on Building L, one (1) on Building K, one (1) on Building B, and some miscellaneous wood rot repair on Building A. All of this was done on preparation of the painting, which has been scheduled to start on October 12, 2010, but now postponed. Ray pointed out that just today he found some additional wood rot on a rail on a Unit in K Building. This will be repaired this week.

The painting of the steps and balcony decks was discussed. The contractor who had been awarded the proposal has requested 20% down payment of his original contract. This would amount to $2,556.00. The original contract, which the Board approved, called for draws to be made weekly. The Board discussed and felt that if they paid $2,556.00 down and draws weekly, the contractor would always be ahead and if he decided in the middle of the contract not to

finish the Association would have no leverage. The Board decided that they would have Ray call this contractor and tell him that the Board would like for him to still do the painting, but it would be on the terms of his original contract, which call for draws to be made weekly and nothing in advance. If this contractor wants to work based on the original contract he should start in the very near future, a week to ten (10) days. If he does not want to do the job as his original contract, then Ray was asked to get additional bids for the Board to review.

Annual Meeting

The Board discussed our upcoming Annual Meeting. The meeting is scheduled for November 11, 2010, which is a Thursday, at the office of Etheridge Property Management. The Board asked Ray to check with the Santa Rosa Yacht Club and if the meeting could be held there on that Thursday night. To reschedule the meeting at the Santa Rosa Yacht Club, the Board feels like more people will attend with it being so close to the property. Ray will call Santa Rosa Yacht Club on Tuesday morning and reschedule at this location if possible. The meeting may need to start earlier because the Yacht Club closes at 7:00 P.M. and any meeting held here must be over by that time.

The Board also discussed the proposed budget. It appears that the Association will operate at a loss this year at approximately $3,600.00. The shortage will be made up by funds carried over from 2009 into 2010. It was also noted that our insurance was under budget for the year $12,000.00, but this amount had been transferred into our insurance reserve account and will remain there. Collections for the month are also over budget by approximately $4,000.00. The new budget will require an increase in the monthly assessments from $220.00 to $225.00. This five dollar ($5.00) difference will generate $5,520.00 in additional income to the Association. This amount as well as some differences in insurance costs, the budget for insurance in 2011 will be approximately $7,000.00 under budget for 2010. This amount and the increased income will all be added into our general maintenance account. The Association has had much wood rot on stairways this year and felt that these funds would be needed to properly maintain the property. Also, a new category has been added to our Reserve Account. This category is for drainage improvements in the future and will be funded at $100.00 per month. Board reviewed other items, approved this proposed budget to be mailed to all owners, and will be discussed at the Owners Meeting prior to final approval by the Board.

Painting

Ray was asked to call Unit L-8; there are some doors on this balcony that must be removed prior to painting.

ADJOURNMENT

There was no further business and the meeting was adjourned at 6:10 p.m.

Respectfully Submitted,

Ray Etheridge